

IC 20-25-4

Chapter 4. General Administrative Provisions

IC 20-25-4-1

Contracts or obligations; appropriations

Sec. 1. A contract or an obligation is not binding on the board unless the board makes an appropriation for the contract or obligation.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-2

Contracts involving more than \$75,000; bidding for supplies and materials

Sec. 2. (a) A contract involving more than seventy-five thousand dollars (\$75,000) must be:

- (1) in writing;
- (2) executed in the name of the board by:
 - (A) the board's business manager; or
 - (B) another board designated employee; and
- (3) approved by the board.

(b) If money for a contract or purchase has been appropriated by the board, the designated employee may make contracts and purchases not exceeding seventy-five thousand dollars (\$75,000) in any one (1) transaction. A contract and purchase under this subsection must be reported to the board at its next regular meeting.

(c) A purchase of supplies or materials may not be made from one (1) person, firm, limited liability company, or corporation at any one (1) time or in any one (1) transaction totalling more than ten thousand dollars (\$10,000) unless bids for the purchase of the supplies or the materials have been advertised and accepted. The board shall determine the mode and manner of advertising for bids for supplies and materials.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-3

School building improvements; bidding procedure

Sec. 3. (a) This section does not apply if the board by formal vote elects to:

- (1) build;
- (2) enlarge;
- (3) make alterations to; or
- (4) make improvements to;

a school or building owned by the board if the project described in subdivisions (1) through (4) will cost not more than fifteen thousand dollars (\$15,000) and the board intends to complete the project using its own employees.

(b) If subsection (a) does not apply and the board determines to:

- (1) build;
- (2) enlarge;
- (3) make alterations to; or

(4) make improvements to;
a school or building owned by the board, the cost of which is estimated to be more than ten thousand dollars (\$10,000), the business manager or other board designated employee shall advertise for bids in the manner provided in subsection (c).

(c) The advertisements for bids must be placed as follows:

(1) One (1) advertisement must be placed each week for three (3) weeks.

(2) The first advertisement must be placed at least twenty-one (21) days before the bids are opened.

(3) The advertisement must be placed in two (2) newspapers of general circulation in the city.

The board shall enter in full in the minutes that advertisements for bids have been placed under this subsection.

(d) If bids are taken under this section, a bid must be:

(1) enclosed by the bidder in an envelope sealed by the bidder;
and

(2) presented at a meeting of the board or the bid committee of the board at the time and place fixed by the advertisement.

A bid may not be received after the time established in the advertisement.

(e) The business manager at the hour established in the advertisements and in the presence of the board or the bid committee shall open all the bids. The bids must then be publicly read by a designated employee and be immediately entered in full in the records of the board.

(f) The board shall, by general rules, specify the condition of each bid, and only the lowest and best bids from responsible bidders may be accepted. The board may, if the board has reason to suspect collusion among bidders, reject the bids of all bidders involved in the collusion.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-4

Designation of bid committee; opening and tabulating of bids

Sec. 4. (a) Notwithstanding any other law, the board may designate a committee of the board, which may consist of employees or officers of the board, to open or tabulate bids at a date, time, and place fixed by advertisement for:

(1) the purchase of:

(A) supplies;

(B) material;

(C) equipment; or

(D) land;

(2) the building, enlargement, or alteration of any school building; or

(3) any other purpose.

(b) The committee of the board shall open and tabulate each bid that is presented to the committee. The bids shall be:

(1) read and tabulated publicly;

- (2) immediately entered in the record of the board; and
- (3) reported to the board at the board's next meeting.

(c) A bid shall be accepted or rejected by the committee of the board under this section. The bid shall be accepted or rejected by the board in an official board meeting.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-5

Tax levies by board of school commissioners

Sec. 5. (a) The board may annually levy taxes in an amount the board determines is necessary to:

- (1) produce income sufficient to conduct and carry on the work of the board; and
- (2) meet all payments of principal and interest on bonds, notes, or other obligations of the board that mature in the year the levy is made.

The fund arising from a levy made by the board under this section is the board's general fund. The general fund may lawfully be used by the board for any purpose within the scope of the duties of the board as imposed by law.

(b) The board shall record the amount of the annual levy in its minutes.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-6

School building bonds and school funding bonds; issuance; procedures

Sec. 6. (a) The board may periodically, as the need arises, borrow money and issue school building bonds to supply the school city with funds:

- (1) to buy real estate;
- (2) to erect buildings for school or administrative purposes;
- (3) to enlarge, remodel, and repair school buildings; or
- (4) for one (1) or more of the purposes described in subdivisions (1) through (3).

The proceeds of the sale of bonds under this subsection may not be used for a purpose other than a purpose described in subdivisions (1) through (4).

(b) The board may periodically, as the need arises, issue school funding bonds to take up and retire the principal and accrued interest of any outstanding bonds of the school city. School funding bonds may be issued only if the board determines it is to the advantage of the school city to refund the outstanding bonds of the school city. A school funding bond may not be issued and the proceeds of a school funding bond may not be used for a purpose other than to refund or take up and discharge outstanding bonds of the school city. Any preexisting bonds for which the school city is liable under this chapter are outstanding bonds of the school city under this subsection.

(c) Before school building bonds may be issued under subsection

(a), the board shall, by a resolution entered into the record in the board's corporate minutes, demonstrate a particular need for the money and the inability of the school city to supply the money from any other applicable fund under the control of the board. Before school funding bonds may be issued under subsection (b), the board shall, by a resolution entered into the record of the board's corporate minutes, provide a description of the bonds to be taken up, including the kind, date, date of maturity, and amount of the bonds.

(d) Bonds issued under this section must:

- (1) be serial bonds;
- (2) bear interest at a rate payable semiannually; and
- (3) mature at a time or times fixed in the resolution of the board.

(e) A bond to be issued under this section may not be delivered until the price of the bond is paid to the treasurer of the school city in:

- (1) money for school building bonds; or
- (2) money or bonds to be refunded for school funding bonds.

A bond issued under this section may not accrue interest before its delivery.

(f) A bond issued under this section must be payable to bearer and be of the general form usual in municipal bonds.

(g) Before offering bonds authorized by this section for sale, the board must give three (3) weeks notice of the date fixed for the sale of the bonds. The notice must include a description of the bonds and invite bids for the bonds. The notice shall be given by three (3) advertisements, one (1) time each week for the three (3) consecutive weeks immediately preceding the day of sale in a newspaper published and with a general circulation in Indianapolis. Notice may also be required in other advertisements if ordered by the board.

(h) The board shall sell the bonds to the highest and best bidder and has the right to reject any bid. The proceeds arising from the sale shall be used only for the purpose declared in the resolution of the board.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-7

Temporary loans for general fund; borrowing procedure

Sec. 7. (a) The board may, if the board's general fund is exhausted or in the board's judgment is in danger of exhaustion, make temporary loans for the use of the board's general fund to be paid out of the proceeds of taxes levied by the school city for the board's general fund. The amount borrowed for the general fund must be paid into the board's general fund and may be used for any purpose for which the board's general fund lawfully may be used. A temporary loan must:

- (1) be evidenced by the promissory note or notes of the school city;
- (2) bear interest that is payable, according to the note or notes, periodically or at the maturity of the note or notes and at not

more than seven percent (7%) per annum; and

(3) mature at a time or times determined by the board, but not later than one (1) year after the date of the note or notes.

Loans made in a calendar year may not be for a sum greater than the amount estimated by the board as proceeds to be received by the board from the levy of taxes made by the school city for the board's general fund. Successive loans may be made to aid the general fund in a calendar year, but the total amount of successive loans outstanding at any time may not exceed the estimated proceeds of taxes levied for the board's general fund.

(b) A loan under this section may not be made until notice asking for bids is given by newspaper publication. Notice must be made one (1) time in a newspaper published in the school city at least seven (7) days before the time the bids for the loans will be opened. A bidder shall name the amount of interest the bidder agrees to accept, not exceeding seven percent (7%) per annum. The loan shall be made to the bidder or bidders bidding the lowest rate of interest. The note, notes, or warrants may not be delivered until the full price of the face of the loan is paid to the treasurer of the school city, and interest does not accrue on the loan until delivery.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-8

Temporary loans to general fund from school city's bond funds; borrowing

Sec. 8. (a) A school city wishing to make a temporary loan for its general fund under this section may temporarily borrow money, without payment of interest, from the school city's treasury if the school city has in its treasury money derived from the sale of bonds that cannot or will not in the due course of the business of the school city be expended in the near future. A school city shall, by its board, take the following steps required by law to obtain a temporary loan under this section:

(1) Present to the department of local government finance and the state board of accounts:

(A) a copy of the corporate action of the school city concerning the school city's desire to make a temporary loan;

(B) a petition showing the particular need for a temporary loan;

(C) the amount and the date or dates when the general fund will need the temporary loan or the installments of the loan;

(D) the date on which the loan and each installment of the loan will be needed;

(E) the estimated amounts from taxes to come into the general fund;

(F) the dates when it is expected the proceeds of taxes will be received by the school city for the general fund;

(G) the amount of money the school city has in each fund derived from the proceeds of the sale of bonds that cannot or will not be expended in the near future; and

(H) a showing of when, to what extent, and why money in the bond fund will not be expended in the near future.

(2) Request the department of local government finance and the state board of accounts to authorize a temporary loan from the bond fund for the general fund.

(b) If:

(1) the department of local government finance finds and orders that there is need for a temporary loan and that it should be made;

(2) the state board of accounts finds that the money proposed to be borrowed will not be needed during the period of the temporary loan by the fund from which it is to be borrowed; and

(3) the state board of accounts and the department of local government finance approve the loan;

the business manager and treasurer of the school city shall, upon the approval of the state board of accounts and the department of local government finance, take all steps necessary to transfer the amount of the loans as a temporary loan from the fund to be borrowed from to the general fund of the school city. The loan is a debt of the school city chargeable against its constitutional debt limit.

(c) The state board of accounts and the department of local government finance:

(1) may fix the total amount that may be borrowed on a petition; and

(2) shall determine:

(A) at what time or times;

(B) in what installments; and

(C) for what periods;

the money may be borrowed.

The treasurer and business manager of the school city, as money is collected from taxes levied in behalf of the general fund, shall credit the amount of money collected from taxes levied to the loan until the amount borrowed is fully repaid to the lending fund. The treasurer and business manager of the school city shall at the end of each calendar month report to the board the amounts applied from taxes to the payment of the loan.

(d) The school city shall, as often as once a month, report to both the state board of accounts and the department of local government finance:

(1) the amount of money borrowed and unpaid;

(2) any anticipated similar borrowings for the current month;

(3) the amount left in the general fund; and

(4) the anticipated drafts on the bond fund for the purposes for which the fund was created.

(e) The state board of accounts and the department of local government finance, or either acting independently:

(1) if it appears that the fund from which the loan was made requires the repayment of all or part of the loan before maturity; or

(2) if the general fund no longer requires all or some part of the

proceeds of the loan;
may require the school city to repay all or part of the loan. A school city shall, if necessary to repay all or part of a loan under this subsection, exercise its power to obtain a temporary loan from others under section 7 of this chapter to raise the money needed to repay the bond fund the amount ordered repaid.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-9

Payment and retirement of debt obligations

Sec. 9. A school city shall provide for the payment and retirement of debt obligations of the school city in the manner provided under IC 21-2-21-5, IC 21-2-21-10, and IC 21-2-4.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-10

Limitations on debt; eminent domain power of board of school commissioners

Sec. 10. (a) The board may not create debt in excess of twenty-five thousand dollars (\$25,000) in total, except:

- (1) as otherwise provided in this chapter; or
- (2) for debts that exist on or after March 9, 1931, that are authorized by the general school laws of Indiana, including debt incurred under IC 21-4-20, IC 20-26-1, IC 20-26-2, IC 20-26-3, IC 20-26-4, IC 20-26-5, IC 20-26-6, and IC 20-26-7.

(b) Notwithstanding subsection (a), the board is liable for the board's lawful contracts with persons rendering services and furnishing materials incident to the ordinary current operations of the board's schools if the contracts have been entered into as provided in this chapter and in accordance with law. The obligations of the board to persons rendering services or furnishing materials is not limited or prohibited by this chapter.

(c) If the compensation to be paid for the purchase of real estate or an interest in real estate required by the board for the board's purposes cannot be agreed upon or determined by the:

- (1) board; and
 - (2) persons owning or having an interest in the land desired;
- the board may, by eminent domain, determine the compensation and acquire the title to the real estate or interest in the real estate by court action under IC 32-24.

(d) The right and power of the board to own and acquire real estate and interests in real estate in any manner and for any purpose specified in this chapter or by the general school laws of Indiana is not limited to real estate situated within the corporate boundaries of the civil city in which a school city is located. However, the right and power to acquire and own real estate extends to any parcel or trace of real estate the whole of which is situated:

- (1) within one-half (1/2) mile of the nearest point on the corporate boundary of the civil city;
- (2) within a platted territory:

- (A) outside but contiguous to; or
- (B) contiguous to another platted territory that is contiguous to;
- the corporate boundary of the civil city; or
- (3) within one-half (1/2) mile of the nearest point of the boundary of a platted territory:
 - (A) outside but contiguous to; or
 - (B) contiguous to another platted territory that is contiguous to;
- the corporate boundary of the civil city.

"Platted territory", as used in this subsection, means a territory or land area for which a plat has been recorded in the manner provided by Indiana statutes pertaining to the recording of plats of land.

(e) Before acquiring any real estate or interest in real estate outside the corporate limits of the civil city, the board must, by resolution entered into the record of the board's corporate minutes, find and determine that, in the judgment of the board, the real estate or interest in real estate to be acquired will be needed for the future purposes of the board. This chapter does not limit the right of any board to accept, own, and hold real estate or an interest in real estate, wherever situated, that is acquired by the board by gift or devise.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-11

Board of school commissioners; powers and duties conferred by law

Sec. 11. The board has the powers and duties conferred upon governing bodies by existing statutes and by the general school laws, including IC 20-26-1, IC 20-26-2, IC 20-26-3, IC 20-26-4, IC 20-26-5, IC 20-26-6, and IC 20-26-7, to the extent the powers and duties are consistent with this chapter.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-12

Board of school commissioners; powers; prohibited land acquisitions

Sec. 12. (a) The board may:

- (1) except as provided in subsection (b), acquire by purchase, devise, gift, lease, or condemnation grounds needed by the school city;
- (2) construct or lease buildings for school, school administration, or school office purposes;
- (3) employ and pay all employees needed in any branch of the work committed to the board;
- (4) disburse, according to law, all money of the school city for lawful school city purposes;
- (5) have and exercise in the school city full and exclusive:
 - (A) authority concerning the conduct and management of all common schools, including elementary schools and high schools; and

- (B) power to establish and enforce all regulations for the:
 - (i) grading of; and
 - (ii) courses of;instruction in all schools and for the government and discipline of the schools;
 - (6) divide the city into districts for school attendance purposes;
 - (7) maintain special day or night schools to which the board may admit adults and children at least fifteen (15) years of age; and
 - (8) maintain playgrounds and vacation schools.
- (b) The board may not acquire the following real property:
Lots 693-719, inclusive, and 7 1/2 feet west of and adjacent to such lots, in Norcliffe Addition, an addition to the city of Indianapolis, as per plat thereof, recorded in plat book 18 at pages 165 and 166, in the office of the recorder of Marion County, Indiana.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-13

Operating expenses for special schools and vacation schools; imposition of fees

Sec. 13. The expense of operating special schools under section 12(a)(7) of this chapter and playgrounds and vacation schools under section 12(a)(8) of this chapter must be paid out of the board's general fund. The board may make and impose fees that the board considers reasonable for:

- (1) enrollment of any high school graduate in any class offered in a special school; and
- (2) enrollment by any person at least seventeen (17) years of age in any special school class that does not provide credit toward graduation or progression in the regularly maintained common schools in the school city.

The receipts from fees under this section become a part of the board's general fund.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-14

School cities; power to sell real estate and transfer personal property

Sec. 14. (a) A school city may:

- (1) sell real estate;
- (2) transfer personal property; and
- (3) execute deeds of conveyance and instruments of transfer with or without covenants of warranty;

if, in the opinion of the board, the real estate or personal property cannot be advantageously used for school or library purposes and can be sold for its fair cash value.

(b) A determination by the board that real estate or personal property cannot be advantageously used under subsection (a) must be entered into the record of the minutes of the school city's board.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-15

Absence of board commissioners or employees; reimbursement for expenses

Sec. 15. (a) The board may, subject to the board's rules, authorize a member of the board or an officer or individual employed by the board to be absent from the school city in the interest of the school city without loss of compensation.

(b) The board may refund to an individual described in subsection (a) necessary expenses incurred during the individual's absence. The amount refunded under this subsection must be paid from the board's general fund.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-16

Industrial or manual training and education system; establishment

Sec. 16. (a) The board may establish and conduct a system of industrial or manual training and education in connection with and as part of the board's common school system.

(b) Industrial or manual training or education may include:

- (1) the principal use of tools and mechanical implements; and
- (2) the elementary principles of mechanical construction, mechanical drawing, and printing.

The board shall employ competent instructors in each of the various subjects.

(c) The board shall establish rules and regulations for the admission of students to the industrial and manual training education system. The rules and regulations must, in the judgment of the board, produce the best results and provide instruction to the largest practicable number of students. The instruction in industrial and manual training education may be given in space provided in school buildings or in separate buildings if, in the judgment of the board, it is most advantageous.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-17

Industrial or trade school properties acquired by gift; maintenance and operation of trade school; transfer tuition charges; nonresidents

Sec. 17. (a) If a school city acquires title to or possession of real estate, buildings, and personal property in the school city by gift or donation, and the real estate, building, or personal property was used as an industrial or trade school for the education of youths in the trades of:

- (1) printing;
- (2) lithography;
- (3) machine making;
- (4) molding;
- (5) typesetting;

- (6) bricklaying;
- (7) tile setting;
- (8) pattern making;
- (9) pharmacy; or
- (10) other trades or occupations;

the board may, by the use of the board's school funds, maintain and operate the industrial or trade school or schools.

(b) If real estate, a building, or personal property is acquired by the school city under subsection (a), the board shall:

- (1) perform any conditions incident to the school city's acquisition of the property;
- (2) maintain and operate the trade school and real estate, building, or personal property;
- (3) employ competent instructors in the various subjects to be taught;
- (4) purchase all necessary tools, implements, supplies, and apparatus; and
- (5) establish general rules and requirements for:
 - (A) admission of pupils to the school or schools;
 - (B) the courses of instruction; and
 - (C) the conduct of the trade or industrial schools;

that, in the board's judgment, will produce the best results and give instruction to the largest practicable number of students.

The school city may also use the real estate, building, or personal property acquired under subsection (a) for other school purposes, but not for any purpose that will materially interfere with the conduct of the trade or industrial schools.

(c) The transfer tuition charge for each student who:

- (1) is transferred to the school city from another school corporation in Indiana; and
- (2) receives trade or industrial instruction in a trade or industrial school located on property acquired under subsection (a);

must be the actual per capita cost of operating the school the student attends. However, the costs of permanent improvements or additions, the salaries of the superintendents, or the costs of apparatus or repairing broken or damaged apparatus may not be used in computing the actual per capita cost.

(d) If the school city admits a student to a trade school acquired by means described in this section and the student is not, by law, entitled to school privileges, the tuition charge for the student may not be greater than the per capita cost of operating the school the student attends. The cost of permanent improvements and additions may not be included in computing the cost under this subsection.

(e) A school city may admit to the school city's vocational, trade, or industrial schools nonresidents of Indiana. A nonresident student must pay reasonable laboratory and shop fees and a tuition fee of not more than the per student cost to the school city conducting the vocational, trade, or industrial schools. A return on capital invested in buildings, grounds, or equipment may not be included in computing the per student cost under this subsection.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-18

Authority of school cities to accept property in trust

Sec. 18. (a) A school city may accept property in trust to be used for common school or vocational, trade, or industrial school purposes. The school city, whether made trustee by appointment of a court or by the founder of the trust, may carry out the terms of the trust in conducting common schools or vocational, trade, or industrial schools.

(b) If a school city by:

(1) resolution of; or

(2) other formal corporate action of;

the board accepts real estate or other property in trust under subsection (a), the school city shall perform all requirements made conditions of the trust performable by the trustee.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-19

School lunches; expenses

Sec. 19. (a) If the board determines it will promote the health of school children and advance the educational work of the schools, the board may provide for the serving of lunches to the students attending designated schools.

(b) The board may:

(1) establish kitchens and lunch rooms;

(2) provide equipment suitable for kitchens and lunch rooms;

(3) make other necessary provision for furnishing and serving lunches; and

(4) employ a director and other necessary assistants or employees;

to provide lunches under subsection (a).

(c) The board shall pay the expenses arising under subsection (b) out of the board's general fund. The expense of operating a lunch department shall, so far as practicable, be paid from charges paid by the students for the lunches. However, the board may, in the board's discretion, furnish lunches without cost to a student who is needy and unable to pay for the student's lunch.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-20

Applicability of general school laws

Sec. 20. The general school laws of Indiana and all laws and parts of laws applicable to the general system of common schools in school cities, so far as not inconsistent with this chapter and other provisions of this article, and unless made inapplicable by this article, are in full force and effect in a school city to which this chapter applies.

As added by P.L.1-2005, SEC.9.

IC 20-25-4-21**School reorganization plans; applicability**

Sec. 21. This chapter applies to the school city to the extent the chapter is not in conflict with:

- (1) IC 20-23-4 and IC 20-23-16; and
- (2) the school reorganization plan applicable to the school city or the school city's successor corporation under the terms of IC 20-23-4 and IC 20-23-16.

However, IC 20-25-3-4 prevails over any conflicting provision of IC 20-23-4 and IC 20-23-16 and over the provisions of any school reorganization plan.

As added by P.L.1-2005, SEC.9.